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In the Supreme Court
of the United States

OCTOBER TERM, 1966

No. ~~[illegible]~~ 206

COE MANUFACTURING COMPANY,
Petitioner,

v.

JEDDELOH BROTHERS SWEED MILLS, INC., OTTO JEDDELOH and FRED JEDDELOH,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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COE MANUFACTURING COMPANY,
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v.

JEDDELOH BROTHERS SWEED MILLS, INC., OTTO JEDDELOH and FRED JEDDELOH,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner, Coe Manufacturing Company, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit in the above entitled case.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at — F.2d —, and is reprinted in the Appendix, p. 37. This opinion, dated March 3, 1967, superseded a previous opinion dated November 23, 1966, reported at 151 U.S.P.Q. 679 and also reprinted in the Appendix,

p. 20. The opinion of the District Court for the District of Oregon is unreported, and is reprinted in the Appendix, p. 54. The opinion of the Court of Appeals upon a previous appeal is reported at 306 F.2d 455 and is reprinted in the Appendix, p. 65; the opinion of the District Court there appealed from was unreported but is reprinted in the Appendix, p. 69.

JURISDICTION

The judgment of the Court of Appeals was entered on November 23, 1966 (Appendix, p. 20). A timely Petition for Rehearing was denied March 3, 1967 (Appendix, p. 53). The jurisdiction of this Court is invoked pursuant to 28 U.S.C. Sec. 1254(1). The basis of jurisdiction in the District Court was 28 U.S.C. Secs. 1338(a) and 2201.

QUESTIONS PRESENTED

The ultimate question presented is the validity of the Parker patent, Re. 24,638, (R. Vol. IV, p. 332)[1] but to reach that question two significant s bsidiary questions are presented:

(1) Is Section 103 of the Patent Act of 1952 to

[1] The record references are to the record as prepared by the Court of Appeals. Vol. I consists of the District Court proceedings and the proceedings in the Court of Appeals subsequent to the first appeal. Vol. II consists of reporter transcripts of hearings subsequent to the first appeal. Vol. III is the printed record containing the pleadings and the transcript of testimony relating to validity. Because the printer destroyed the extra copies in the interim only four copies have been forwarded. Vol. IV comprises the patents involved including the patent in suit and prior art patents.

be applied uniformly to all inventions, or are some inventions to be treated with "special" strictness and subjected to requirements not imposed upon others in determining patentability?

(2) Is obviousness, as used in Section 103 of the Patent Act of 1952, a question of law, or is it one of fact upon which a trial court's finding should be reversed only if "clearly erroneous" in accordance with Rule 52(a) Rules of Civil Procedure?

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

This case involves Article I, Section 8 of the Constitution; Sections 101, 102 and 103 of the Patent Act of 1952, 35 U.S.C. Secs. 101, 102 and 103; and Rule 52(a) of Federal Rules of Civil Procedure. These are all set forth in the Appendix, beginning at page 17.

STATEMENT OF THE CASE

The patent in suit covers an apparatus for feeding from stacks into a veneer dryer sheets of veneer (1/12" to 3/16" thick) (R. III, 74), utilized in the manufacture of plywood. In the making of plywood, thin veneer is cut or peeled from a log and placed in stacks according to size, grade and thickness. The veneer as cut or peeled contains excess moisture which is removed by passing the veneer through dryers having from four to six tiered conveyors which convey the veneer sheets through the dryer. The conveyors run continuously with the moist or "green" sheets being continuously fed into the dryer at one end and

dry sheets being continuously discharged at the other end.

From the advent of the plywood industry in 1905 until the apparatus of the patent in suit was placed in operation in 1952, the veneer sheets were manually pulled off stacks of veneer placed in front of a dryer and shoved into the dryer decks by men working between the stacks of veneer (R. III, 54). Much veneer was damaged during the loading process, the dryers were not loaded uniformly which is necessary to secure efficient drying, and labor costs were high.

Petitioner is a manufacturer of dryers and other equipment for the plywood and wallboard industry. Beginning in 1936, petitioner sought to design apparatus to eliminate handfeeding of veneer dryers. Several unsatisfactory apparatuses were constructed and tried out at veneer plants in the ensuing years (R. III, 305, 306) when, finally, in 1948, Parker, an engineer employed by petitioner, conceived the apparatus of the patent in suit. The apparatus was constructed by petitioner in the same year and shipped to Portland, Oregon for trial. Because of a general belief in the plywood industry that mechanical feeders would not successfully operate, it was not until 1952 that petitioner was able to secure permission to install the apparatus in a plywood mill for trial (R. III, 307). Even then, permission was granted only because the dryer was not at the time being used in the mill operations (R. III, 312). The Parker feeder operated successfully, and by the time of trial in 1959

virtually every plywood plant was utilizing one or more mechanical feeders for loading dryers.

In 1957 respondent commenced the manufacture and sale of the accused apparatus (R. III, 113) and petitioner filed the present infringement suit in March, 1958.

The District Court rendered its initial opinion on March 30, 1960, holding the Parker patent not infringed by respondents without determining the validity of the patent (Appendix, p. 69). Upon appeal, the Court of Appeals remanded the case, (Appendix, p. 65), directing that the validity of the patent be determined (in view of the fact that non-infringement was not readily apparent to the Court of Appeals) and that the question of infringement be redetermined.

Upon remand the District Court found that the claims in suit (claims 3, 5, 7 and 17) covered an invention that was not obvious to one skilled in the art (R. I, 20, Findings XXX, p. 21, Finding XXXIII) and held that the patent was valid. It also held claim 17 infringed (Appendix 54).

Upon appeal the Court of Appeals held the patent invalid and reversed (Appendix 20).

A petition for Rehearing was filed and on March 3, 1967 was denied (R. I, 100). However, the Court of Appeals filed on the same date a new opinion (R. I, 101, Appendix, p. 37), superseding its prior opinion, but adhering to its holding of invalidity.

REASONS FOR GRANTING THE WRIT

Court of Appeals Applies Tests and Requirements Not Sanctioned by Patent Statutes, Thus Denying Equal Protection to Holders of Combination Patents

In over-ruling the Trial Court, the Court of Appeals did not apply the patent law uniformly but used special tests not sanctioned in law and disapproved by this court. In evaluating the validity of the Parker patent, a mechanical combination patent, the Court of Appeals applied aditional tests not found in the Patent Act of 1952 and has applied these tests in other like cases.[2] Such action is patently a denial to petitioner of equal protection.

In *Graham et al* v. *John Deere et al*, 383 U.S. 1, this Court emphasized that patentability is dependent only upon the explicit conditions set forth in Sections 101, 102 and 103 of the Patent Act of 1952, of which Section 103 alone is here involved. That such conditions must be applied uniformly in every case, not only to secure the desired uniformity of administration, but also to give patent owners equal protection under the laws hardly needs emphasis, *Barbier* v. *Connolly*, 113 U.S. 27, 28 L. Ed. 923.

In spite of this Court's declaration in *Graham* v. *John Deere*, supra, that a "new result" is not a test to

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[2] *Bentley* v. *Sunset House Dist. Corp.*, 359 F.2d 140 (1966). *Santa Anita Mfg. Co.* v. *Lugash*, 369 F.2d 964 (1966). *Hensley Equipment Co., Inc.* v. *Esco Corp.*, — F.2d —, 152 U.S.P.Q. 781 (1967).

determine or a prerequisite to patentability, the Court of Appeals for the Ninth Circuit continues to use this test. Contrary to expressed findings (R. I, 20, Findings XXX, XXXI) of the District Court and in the apsence of any evidence to the contrary, the Court of Appeals determined that the Parker apparatus produced no "new" result and held the patent in suit invalid.

The decision of the Court of Appeals reads in part:

> "None of the individual components of the Parker combination perform any different functions in the combination than they do out of it. The pinch rolls of the Parker patent do, in the combination, exactly what pinch rolls do out of the combination—they pull through sheet materials which are introduced between them. * * * The same can be said of each of the other old elements which, in combination, comprise the Parker patent.
>
> "Nor do these old components in the total combination of Parker, or in any of the groupings of old components which go to make up that total combination, co-act to produce a new result as compared to the total combinations, and groupings of components, in the prior art. * * * Given these similarities, *it is not, in legal contemplation, a 'new' result* for Parker to handle moist veneer, as compared to moist fibreboard handled by Streeter, tin plate handled by Campbell, and paper handled by Cross." (Appendix, p. 49-50) (Emphasis added)

It is clear from the decision in the case at bar and

other recently decided cases that the Court of Appeals is not, in the case of combination patents, determining whether the combination was itself obvious or not obvious pursuant to Section 103 which makes the obviousness of the "subject matter as a whole" the criteria. On the contrary, the Court of Appeals is applying arbitrary additional tests to determine patentability.[3]

The Court of Appeals does not apply the term "obvious" in its ordinary sense, but clearly feels, at least in the case of combination patents, that the word means not simply a determination of what would be plain or evident to one having ordinary skill in the art, but something more. This is not the law. "Congress did not contemplate various degrees of obviousness." *Application of Petering and Fall*, 301 F.2d 676 (C.C.P.A., 1962).

The philosophy of the Court of Appeals can clearly be seen in its original opinion herein (Appendix p. 20), and its subsequent opinion in *Santa Anita Manufacturing Corp.* v. *Lugash*, supra, where it stated as follows:

> "It is apparent from the record and findings that the trial court tested patentability by the requirements of 35 U.S.C. Section 103, the test of obviousness. * * * Unquestionably these statutory requirements are prerequisite to the issuance of any patent. *Graham* v. *John Deere Co.*, 383 U.S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545

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[3] *See Patent Law and Development*, Vol. 7, No. 11, April 15, 1967, Matthew Bender & Company, Inc.

(1966). But in the special case of combination patents, the 'severe test', referred to in *Bentley* v. *Sunset House Dist. Co.*, supra, must (also) be applied and satisfied before a combination patent can be recognized. *Zero Mfg. Co., Inc.* v. *Mississippi Milk Producers Ass'n.*, 358 F.2d 853 (5th Cir., 1966); *Jeddeloh Bros. Sweed Mills, Inc.* v. *Coe Mfg. Co.*, — F.2d — (9th Cir.) No. 20662, decided November 23, 1966. The record in only one place reflects the application of this test to the patent in issue, which is admittedly a combination of old ideas. * * *

"Finding of Fact No. 8 is the only reference to a new function of the Lugash 227 Loader. It is obvious from the authorities cited above that *the test of a new function must be met or the patent is invalid.*[4]" (Emphasis added)

Upon reconsideration, after the filing of a petition for rehearing, the Court of Appeals struck the word "also" (in brackets above). To us, this indicates even more strongly the inability of the Court of Appeals to recognize that, as to all inventions, "obvious" is to be construed to have its ordinary meaning, that is, that obvious means plain or evident, and that an invention to be unobvious need not possess (1) a "new function" as expressed in the quoted case, (2) a "new result" as set forth in the case at bar, or (3) "unusual or surprising consequences from the unification of the elements * * *," as stated in *Bentley* v. *Sunset House Dist. Corp.*, supra.

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[4] We are advised that a petition for certiorari will be filed in that case.

The invention in a combination is the act of combining. It is the obviousness or unobviousness of making the combination ("the subject matter as a whole") that is the test under Section 103, and not whether some or all of the elements perform any new and "different functions in the combination than they do out of it." (Appendix, p. 49).

In a mechanical combination for any element to perform a new or different function is impossible[5] a fact which was recognized by this Court almost one hundred years ago in *Tyler* v. *Boston*, 74 U.S. 327, where it stated:

> "Now a machine which consists of a combination of devices is the subject of invention, and its effects may be calculated *a priori*, while a discovery of a new substance by means of chemical combinations of known materials is empirical and discovered by experiment."

In *Graham* v. *John Deere*, supra, this Court indicated guidelines to obtain uniformity in court decisions respecting validity of patents but the decision of the Ninth Circuit does not follow these guidelines, is in conflict with them and renders uniformity im-

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[5] *Cold Metal Process Co.* v. *Republic Steel Corp.*, 233 F.2d 828, 848 (C.A. 6, 1956) cert. den., 352 U.S. 955:

> "Republic's contention carried to its logical conclusion is that for a combination of old elements in a machine to be patentable these elements must be transformed into mechanical processes or mechanisms performing different mechanical functions from those they formerly performed. We think this is not sound. A roller bearing will always be a roller bearing. A mechanism used in a combination is not thereby transformed into a different mechanism."

possible as it applies different tests to different types of patents. More specifically, it applies its own special tests to combination patents and with "special" strictness, thus denying owners of combination patents equal protection under the law. In 1966 approximately 38,000 of the 66,500 patents issued were classified general or mechanical. Examination of the April 11, 1967 Official Gazette of the Patent Office indicated that over 500 of the 607 patents classified as general or mechanical related to combinations of elements. On this basis about 32,000 combination patents were issued in 1966 and this excludes any patents in the chemical or electrical classifications, many of which patents also pertain to apparatuses and devices comprising combinations of elements. The proper test of patentability to be applied to combinations is then an important one deserving of the attention of this Court.

Court of Appeals for the Ninth Circuit by Refusing to Regard Obviousness as a Question of Fact Is in Conflict With Decisions of this Court and of Other Circuits

The Court of Appeals ruled in this case, and has similarly ruled in a number of other recent decisions,[6] that the question of obviousness under Section 103 is one of law rather than one of fact (Appendix, p. 39). We do not doubt that the ultimate question—validity—is one of law, but the scope and content of the prior art, the differences between the prior art and the in-

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[6] *Santa Anita Mfg. Corp.* v. *Lugash*, supra, n. 2. *Bentley* v. *Sunset House*, supra, n. 2. *Hensley Equipment Co., Inc.* v. *Esco Corp.*, supra, n. 2.

vention, the level of ordinary skill and, finally, the obviousness of the subject matter of a patent are clearly fact questions necessary to a legal determination of validity. The holding that obviousness is a question of law is in direct conflict with the position of this Court in *Graham* v. *John Deere*, supra, *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U.S. 271, and *Thomson Co.* v. *Ford Motor*, 265 U.S. 445.

In *Thomson Co.* v. *Ford Motor*, supra, this Court said:

> "The question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention, is one of fact; and in an action at law for infringement is to be left to the determination of the jury." 265 U.S. at 446.

The holding of the Court of Appeals that obviousness is a question of law is also in conflict with the position of numerous other Courts of Appeal.

The following courts hold obviousness (invention) to be a question of fact:

1 Cir., Wilson Research Corp. v. Piolite Plastics Corp., 327 F.2d 139 (1963)

2 Cir., American Technical Machine Corp. v. Caparotta, 339 F.2d 557 (1964)

4 Cir., Nicholson v. Carl W. Mullis Engineering & Manufacturing Co., 315 F.2d 532 (1963)

5 Cir., Clark Noe v. W. D. Smith et al, 300 F.2d 430 (1962)

6 Cir., Maytag Company v. Murray Corporation of America, 318 F.2d 79 (1963)

7 Cir., Novo Industrial Corp. v. Standard Screw Co., — F.2d —, 152 U.S.P.Q. 543 (1967)
10 Cir., M. B. Skinner Company v. Continental Industries, Inc., 346 F.2d 170 (1965)

The following circuits have held in some decisions that obviousness is a question of fact and in others that it is a question of law:

8 Cir., Rota-Carb Corporation v. Frye Manufacturing Company, 313 F.2d 443, 444 (1963); *Cf.*, Piel Manufacturing Company v. George A. Rolfes Co., 363 F.2d 57 (1966)
C.A., D.C. Hays v. Brenner, 357 F.2d 287 (1966); *Cf.*, Stieg v. Commissioner of Patents, 353 F.2d 899 (1965)

Pertinent portions of the cited decisions are quoted in the Appendix, pages 61 to 64.

Failure of the Court of Appeals to follow this Court and the other Circuits on this matter has resulted already in drastic departure by the Court of Appeals from the guidelines suggested by this Court in *Graham* v. *John Deere*, supra, hopefully laid down to bring uniformity in determining validity of patents.

In holding that obviousness is a question of law the Court of Appeals in the case at bar completely disregarded Rule 52(a) which would compel it here to sustain the finding of the Trial Court that the Parker invention was not obvious. In reaching that conclusion the Trial Court utilized the subtests suggested

in *Graham* v. *John Deere*, supra, and found the Parker invention fulfilled a long felt need, that there were many unsuccessful attempts over a long period of time to fulfill the need, that there was a belief in the industry that the problem could not be solved, and, finally, that the invention was a commercial success when it was finally put into practice. The Parker invention surely promoted the progress of a useful art —plywood manufacture—as contemplated by Art. I, Sec. 8 of the Constitution. There was testimony as to the state of the prior art, the belief of the industry that a mechanical veneer feeder would not work, what Parker accomplished over the prior art, and the unobviousness of the invention. No witness testified that the combination was obvious. In addition, the Court viewed motion pictures of the Parker apparatus and the accused apparatus and also witnessed them in actual operation. The testimony clearly disclosed that the prior patents relied upon by the Court of Appeals in holding the patent invalid did not disclose any structure not known to those working in the art. The prior failure of others to produce the Parker combination considering the need for such apparatus raises a strong presumption of non-obviousness. This Court so observed in *Expanded Metal Co.* v. *Bradford*, 214 U.S. 366, where it stated at 381:

> "It may safely be said that if those skilled in the mechanical arts are working in a given field and have failed after repeated efforts to discover a certain and useful improvement, that he who first makes the discovery has done more than make the obvious improvement which would

> suggest itself to a mechanic skilled in the art, and is entitled to protection as an inventor."

In *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, supra, this Court quoted with approval from Rule 52(a):

> "Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses . . . ."

and sustained findings of fact under circumstances substantially as those present here.

Having determined the scope and content of the prior art, the differences therefrom of the invention, and, finally, the relative skill in the art, the Trial Court makes the factual determination as to whether or not the invention should have been obvious to those having ordinary skill in the art. Recognition that obviousness is a fact question is of great importance in determining a litigant's rights whether in a jury or non-jury trial. As a question of fact it must be submitted to a jury or the trial judge without a jury. Neither the jury's verdict nor the Trial Judge's finding of fact can be set aside unless clearly erroneous. Intervention by this Court is imperative to eliminate the conflict between the Ninth Circuit, this Court and the other Circuits.

CONCLUSION

For the reasons stated, the Petition for Certiorari should be granted.

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APPENDIX A

CONSTITUTIONAL PROVISION

Article I, Section 8, Clause 8

"The Congress shall have power . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

STATUTORY PROVISIONS

35 U.S.C. § 101. Inventions patentable

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

35 U.S.C. § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

35 U.S.C. § 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a

whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Rule 52 F.R.C.P.

FINDINGS BY THE COURT

(a) *Effect.* In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 of any other motion except as provided in Rule 41(b). As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963.

APPENDIX B

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JEDDELOH BROTHERS SWEED MILLS, INC., a corporation, OTTO JEDDELOH, FRED JEDDELOH,
Appellants and Cross-Appellees,
v.
COE MANUFACTURING COMPANY, a corporation,
Appellee and Cross-Appellant.
No. 20,662

[November 23, 1966]

Appeal from the United States District Court for the District of Oregon

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Before: HAMLEY and KOELSCH, Circuit Judges, and WALSH, District Judge

HAMLEY, Circuit Judge:

This suit involves the validity and infringement of Reissue No. 24,638 of Parker Patent No. 2,649,182, owned by plaintiff Coe Manufacturing Company (Coe). This is a combination patent describing an apparatus for feeding veneer into a multiple-deck conveyor-type veneer dryer. The defendants are Jeddeloh Brothers Sweed Mills, Inc., manufacturer and seller of the accused apparatus, and Fred and Otto Jeddeloh, president and vice president, respectively, and major stockholders, of Jeddeloh Brothers. The defendants are collectively referred to herein as Jeddeloh.

The district court found and concluded that the Parker patent is valid and one claim thereof is infringed by Jeddeloh. A judgment was entered to this effect, awarding single damages and granting injunctive relief. Defendants appeal and plaintiff cross appeals. This is the second time that this cause has reached this court. See *Coe Manufacturing Company* v. *Jeddeloh Brothers Sweed Mills, Inc. et al.*, 9 Cir., 306 F.2d 455.[1]

Jeddeloh contends, on its appeal, that: (1) the Parker patent is invalid for failure to meet the requirements of a patentable invention; (2) the Parker patent was invalidly reissued under the language of the reissue statute; (3) defendants did not infringe the Parker patent; (4) Coe is estopped to assert the patent claim which was held to be infringed; (5) the individual defendants are not personally liable for infringement damages; and (6) the amount of damages has been incorrectly determined.

Coe argues, on its cross appeal, that: (1) in addition to the claim held to be infringed, other claims of the Parker patent were also infringed; (2) interest on the damages awarded to Coe was improperly computed; and (3) exemplary damages and attorneys' fees should have been awarded for Jeddeloh's wilful infringement of the Parker patent.

We hold that the Parker patent is invalid and

[1] In that decision we remanded the cause to the district court to make findings and conclusions regarding the question of the validity of the Parker patent and the question of infringement of various claims of that patent.

therefore, without reaching the other issues raised on the appeal and cross appeal, reverse with directions to dismiss the action.

As the Supreme Court recently stated in *Graham, et al.* v. *John Deere Co. of Kansas City, et al.*, 383 U.S. 1, 12, patentability is dependent upon three explicit conditions: novelty and utility as defined in 35 U.S.C. §§ 101, 102 (1964), and nonobviousness, as defined in 35 U.S.C. § 103 (1964). The district court, in its findings, held that the Parker reissue patent met all three of these tests.[2]

Jeddeloh questions the trial court's determination that the subject matter of the Parker reissue patent is novel and nonobvious, and advances additional reasons why the patent should be declared invalid.

We turn to the question of nonobviousness under the test of section 103.[3] Since the district court entered

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[2] While these determinations by the trial court were denominated by it as findings of fact, the determination of whether a claimed invention meets the test of nonobviousness is one of law where, as here, the relevant facts are not in dispute. See *National Lead Company* v. *Western Lead Products Company*, 9 Cir., 291 F.2d 447, 450-451. For a discussion of Ninth Circuit cases on this point, see 2 Walker on Patents (Deller's 1964 ed., at 103-104).

[3] Section 103 reads as follows:

"§ 103. Conditions for patentability; non-obvious subject matter.

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

its judgment on May 21, 1965, the Supreme Court has announced two decisions dealing with the essential condition of nonobviousness. See *Graham, et al.* v. *John Deere Co. of Kansas City, et al.*, 383 U.S. 1, and *United States* v. *Adams, et al.*, 383 U.S. 39, both announced on February 21, 1966. The general considerations which the Patent Office and courts should take into account in determining whether a claimed invention is nonobvious are discussed in *Graham*.

The entire tenor of the *Graham* decision is that there should be strict observance of all three explicit conditions precedent to the issuance of a patent, namely novelty, utility and nonobviousness, with special emphasis being placed on the latter.[4] The Court pointed out that Art. I, § 8, cl. 8 of the Constitution, from which the federal patent power is derived, is both a grant of power and a limitation. The limitation is

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"We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act [in which the nonobviousness test of section 103 was enacted].

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"In this connection we note that the Patent Office is confronted with a most difficult task. Almost 100,000 applications for patents are filed each year. Of these, about 50,000 are granted and the backlog now runs well over 200,000. 1965 Annual Report of the Commissioner of Patents 13-14. This is itself a compelling reason for the Commissioner to strictly adhere to the 1952 Act as interpreted here. . . .

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Reviewing the pertinent judicial and legislative history, the Supreme Court said, in *Graham*, that the test of nonobviousness, which first found statutory expression in section 103, was not intended to lower the level of patentability as previously determined. Instead, it was intended to codify existing judicial precedents and to promote uniformity and definiteness by focusing attention upon nonobviousness rather than the less definite "invention" language of *Hotchkiss v. Greenwood*, 52 U.S. 248, and succeeding cases.

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The principles of patentability, as summarized above, are to be applied with special strictness in determining the patentability of combination patents. In *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 151, 152, the Court said that the concept of invention is inherently elusive when applied to a combination of old elements. The Court pointed out that the conjunction of known elements must contribute something, and that only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable.[5]

With these guiding principles in mind, we turn to the question of whether the Parker reissue patent, describing an apparatus for feeding green veneer into a multiple-deck veneer dryer, is invalid for nonobvi-

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ousness. For the purpose of discussing that question we will assume, as the trial court held, that the Parker reissue patent is for a combination of old elements, that the combination shown is new as compared to other combinations disclosed by the prior art,[6] and that the Parker patent is primarily an apparatus for handling sheets of veneer.[7]

It is the practice in the Pacific Northwest plywood industry to cut or peel thin veneer from a log in long sheets. These are then cut into sheets or panels of irregular size and stacked in piles according to size, grade and thickness. Such veneer contains large amounts of moisture which must be removed prior to making the veneer into plywood. Removal of this moisture is accomplished by passing the veneer through long, heated dryers having four or more tiered conveyor decks upon which single thicknesses of the veneer are carried through the dryers.

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[6] The most analogous prior combination patents are Streeter Patent No. 1,809,456, describing an apparatus for feeding sheets of freshly-made and still moist wallboard into a multiple-deck dryer; Campbell Patent No. 1,216,773, describing an apparatus for handling sheets of metal; and Cross Patent No. 640,368, describing a machine for feeding sheets of paper into a printing press.

[7] Jeddeloh does not agree that the Parker combination is new, or that it primarily claims an apparatus for handling veneer.

a dryer by hand, the sheets of veneer were sometimes broken or damaged and frequently the dryers were not kept completely full.

Green or undried veneer sheets are dissimilar to manufactured sheet products such as plasterboard, paper and sheetmetal, in that green veneer varies in quality, length, width, thickness, flexibility and flatness. Green veneer also has a tendency to curl. Because of these characteristics, green veneer is difficult to handle, particularly with a mechanical apparatus. Nevertheless, as early as 1936, Coe undertook to develop such an apparatus. Coe has been the leading manufacturer of equipment for plywood mills for many years, and has also manufactured dryers, conveyors, and other sheet-handling equipment for the plasterboard and fibreboard industry.

From 1939 to 1941, Coe designed and constructed three different apparatuses for feeding veneer into a dryer. None of them performed satisfactorily, and all were scrapped after trial periods. In 1948, C. E. Parker, then a design engineer for Coe, but who died prior to the trial, developed the asserted invention described in the patent in suit. The Parker patent shows a preferred and an alternative embodiment.

The preferred embodiment contains nine principal features: (1) a normally open pair of driven infeed pinch rolls between which the leading ends of the top layer of veneer to be fed into the dryer are pushed by the operator from a row of stacks positioned in front of the rolls; (2) the upper roll is movable up

and down, so that a row or layer of veneer may be pushed between the rolls when the upper roll is raised; (3) a retractable stop is provided to align the leading ends of the veneer; (4) in timed relation to the operation of the dryer, periodically, the stop is raised and one roll is lowered so as to cause the veneer to be grasped between the two infeed pinch rolls, and thereby drawn from the stacks and propelled toward the dryer; (5) the infeed pinch rolls are movable vertically as a unit by suitable controls, so that, as veneer is removed from the stacks and the height of the stacks thereby lowered, the rolls may be lowered by the operator to maintain the nip of the rolls substantially in alignment with the top of the stacks; (6) the infeed rolls propel the veneer toward a set of driven outfeed rolls; (7) the outfeed rolls are automatically moved vertically as a unit stepwise past the tiered decks of the dryer so as to feed the veneer into the various decks of the dryer; (8) to support the veneer between the infeed and the outfeed rolls, there is a conveyor-type table having moving belts encircling it and the lower outfeed pinch roll; and (9) the opening and closing of the infeed rolls and the indexing of the outfeed rolls past the dryer decks are all in timed relation to the speed of the dryer.

In summary, with the infeed rolls open, the operator pushes the top sheets on the stacks forward a small distance into ready position with their leading ends between the rolls. At the proper moment, the rolls automatically come together and propel the ready layer of veneer across the conveyor-type table to the

outfeed rolls. In turn, the outfeed rolls propel the veneer into a deck of the dryer. At the proper time the outfeed rolls automatically move to the next deck to be loaded and the infeed rolls open to accept a new load.

The alternative embodiment of the asserted invention contains five principal features: (1) an elevator is provided in front of the dryer; (2) an assembly is mounted upon this elevator, including a supporting frame and a pair of pinch rolls similar to the infeed rolls of the preferred embodiment; (3) these pinch rolls are periodically opened and closed in timed relation to the speed of the dryer. The stacks of veneer to be fed are positioned on the elevator in front of the roll assembly, and the top sheets are pushed by the operator between the open rolls; (4) the rolls are designed to be raised or lowered as a unit by the operator within the supporting framework so that they can be positioned in substantial alignment with the top of the stacks of veneer being fed; and (5) the elevator is automatically raised and lowered stepwise past the decks of the dryer so as to bring the rolls sequentially into alignment with the various dryer decks.

While the two embodiments of the asserted invention are designed to accomplish the same task, the alternative embodiment has only one set of pinch rolls and accordingly no conveyor type table between sets of pinch rolls, as in the preferred embodiment.

The Parker reissue patent states twenty-five

claims. The district court held that claims 3, 5, 7 and 17 particularly point out and claim the subject matter of the invention. Neither Coe nor Jeddeloh questions the trial court's implicit determination that the validity of the patent may be judged by examining claims 3, 5, 7 and 17. The preferred embodiment of the patent is described in most of the claims, including claims 3, 5 and 7.[8] The alternative embodiment is described in claim 17, which is the only claim that was held to be infringed.[9] The court ruled that claims 3,

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[8] While there are variations between claims 3, 5 and 7, for our purposes the latter claim may be taken as representative of those claims. Claim 7 reads:

"7. In equipment for feeding material in sheet form into a multiple deck conveyor type machine, the combination of a feed end unit comprising a frame and a vertically movable assembly including a pair of pinch rolls, means for raising and lowering said assembly, means for driving said pinch rolls, means for producing relative movement of said pinch rolls toward and from each other, a conveyor type table connected at one end to said vertically movable assembly for movement therewith, a discharge end unit comprising a frame and a vertically movable assembly having the opposite end of said conveyor type table connected thereto for movement therewith, and means for moving said vertically movable assembly of said discharge end unit in timed relation to the relative movement of said pinch rolls toward and from each other, said last-named means comprising a control mechanism adapted to be operatively connected to the conveyor mechanism of said machine whereby said pinch rolls and said vertically movable assembly of said discharge end unit are moved in timed relation to the speed of the conveyor."

[9] Claim 17 reads:

"17. In equipment for loading material in sheet form into a multiple deck power driven conveyor type machine, the combination of vertically movable feed means having an entering end and a discharge end, said feed means including a pair of pinch rolls, means for driving said pinch rolls, power actuated means for vertically moving said entering end of said feed means, power actuated means

5 and 7 were not infringed because the accused apparatus does not have a conveyor-type table or its equivalent.

In 1948, Coe constructed a veneer dryer feeder apparatus in accordance with the preferred embodiment of the patent in suit, and shipped it to Portland, Oregon for trial. From 1948 to 1952, Coe attempted to secure permission from a number of plywood plants to install that feeding apparatus. Because of a general belief in the plywood industry that a mechanical veneer feeder could not successfully operate, Coe was unable to persuade any plant to try the feeder.

In 1952, Coe secured permission to install its feeder on a trial basis in a new plywood plant which had an extra veneer dryer not required for its normal plant operation. The feeder performed satisfactorily, was purchased by the plant, and was still in operation at the time of the trial. Between 1952 and the commencement of the first trial on December 29, 1959, about 105 veneer feeders built under the Parker patent had been installed in plywood mills. A few of these were constructed under license from Coe, the balance were constructed by Coe.

The trial court found that Parker's asserted invention enables veneer to be fed into dryers with fewer men, with less damage to veneer, and with more uniform loading of the dryer, resulting in increased effi-

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for producing relative movement of said pinch rolls toward and from each other, and automatically controlled power actuated means for moving said discharge end of said feed means vertically in timed relation to the relative movement of said pinch rolls relative to each other."

ciency of the dryer. Mechanical feeders have virtually eliminated hand feeding of veneer dryers, and Coe's apparatus is a commercial success.

In determining the validity of the Parker patent, this court has applied, with the required strictness, the principles announced by the Supreme Court in the above-quoted portion of the *Graham* opinion. Taking into account the scope and content of the prior art of mechanically moving sheet materials, the difference between that prior art and the Parker claims in issue, and the level of ordinary skill in that art, all as revealed or implicit in the undisputed facts summarized above, it is our opinion that the subject matter of claims 3, 5, 7 and 17 of the Parker patent is plainly obvious within the meaning of section 103.

One indication of obviousness is that none of the individual components of the Parker combination perform any different function in the combination than they do out of it.

The pinch rolls of the Parker patent do, in the combination, exactly what pinch rolls do out of the combination—they pull through sheet materials which are introduced between them. The means provided for driving those pinch rolls have the same effect on those rolls as they would have out of the combination. The power-actuated means for vertically moving the entering end of the feed means operate no differently in the combination than out of it. The same can be said of each of the other old elements which, in combination, comprise the Parker patent.

The inquiry as to whether the individual components of a combination patent perform any different function in the combination than they do out of it seems to have been the principal test of nonobviousness of a combination patent applied by the Supreme Court in *Great Atlantic and Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 152 (1950), although in that pre-section 103 decision, the Court spoke in terms of "invention" rather than "nonobviousness."[10] See also, *William T. Alvarado Sales Co.* v. *Rubaloff*, 9 Cir., 263 F.2d 926, 930.

But, perhaps more important, the Parker combination of these old elements does not accomplish anything unusual or surprising, as compared with prior combination patents. The Streeter, Campbell and Cross patents, as well as the Parker patent, describe a method of transferring sheet material from one place to another by automatic means. Streeter, as well as Parker, provides a way to vary vertical positioning of both the infeed and outfeed ends to accommodate variations in height at the source and destina-

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[10] Thus, in *A. & P.* the Court said:

"Neither court below has made any finding that old elements which made up this device perform any additional or different function in the combination than they perform out of it. This counter does what a store counter always has done—it supports merchandise at a convenient height while the customer makes his purchases and the merchant his sales. The three-sided rack will draw or push goods put within it from one place to another—just what any such a rack would do on any smooth surface—and the guide rails keep it from falling or sliding off from the counter, as guide rails have ever done. Two and two have been added together, and still they make only four."

tion. The only critical structural element which is present in Parker, but lacking in Streeter, is the pinch roll mechanism.[11] However, the use of pinch rolls for sheet materials had already been conceived and made operable under the Campbell and Cross patents.

It is true that Streeter was especially designed for handling moist fibreboard, Campbell for tin plate, and Cross for paper, whereas Parker was especially designed for handling moist veneer. It is also true that handling moist veneer does present special problems which require departures from the specifications of the earlier patents,[12] but these variations only indicate that the Parker patent describes a *novel* combination, not that the novelty of the combination is *nonobvious* in the statutory sense.

Apart from the variations described in note 12, it is without significance that Parker was the first to use a combination of old components to transport sheets of moist veneer rather than sheets of tin plate, paper or moist wallboard. Paraphrasing what was said by the Supreme Court in *Great Atlantic and Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 153, when old elements were combined in

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[11] The Streeter patent had only jump rolls for feeding sheets at the infeed end and all the Parker patent added was a set of upper rolls, such as shown by the Cross and Campbell patents at the infeed end.

[12] In the Parker patent a different range of old components was required and variations in their dimensions, positioning and settings were necessary. Motor speeds and controls were necessarily different. A host of differences with regard to such matters as framework, gears and wiring are also to be found in the Parker apparatus.

Parker for the first time to handle sheet veneer, although each element performed the same mechanical function that it had previously performed, together they produced results more striking, perhaps, than in any previous utilization. To bring these old elements together and apply them to meet the problem of conveying moist sheets of veneer from a stack of variable height was a good idea, ". . . but scores of progressive ideas in business are not patentable. . . ."

In determining that the Parker patent is invalid for obviousness, we have not overlooked certain secondary considerations which provide indicia of non-obviousness where that issue is in doubt. The trial court found that the Parker apparatus fills a long-felt need in the plywood industry and is a commercial success. But commercial success without invention does not make patentability. *A. & P.* at 153.[13] Likewise where the advance embodied in the patent is obvious, the fact that it solved a pre-patent problem is immaterial. See *Alladin Plastics, Inc.* v. *Jerrold Stephan Co.*, 9 Cir., 362 F.2d 532, 534. The same can be said of evidence showing that the asserted invention was copied by others. *Walker* v. *General Motors Corporation*, 9 Cir., 362 F.2d 56, 60 and cases cited therein.

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[13] This court has given only limited weight to the factor of commercial success. We stated in *Farr Company* v. *American Air Filter Company, Inc.*, 9 Cir., 318 F.2d 500, 504, that such factors as commercial success " 'are at the most weak reeds for a patentee to lean upon.' *McCord Corp.* v. *Beacon Auto Radiator Co.*, 193 F.2d 985, 989 (1st Cir., 1952). They may tip the scales in favor of invention where the question is close and the court in doubt, but where invention is clearly lacking they do not make for patentability."

Coe contends that *United States* v. *Adams, et al.*, 383 U.S. 39, in which the combination patent there in issue was upheld, supports the view that the Parker combination is nonobvious. We do not agree. *Adams* involved a combination patent for a wet battery which provided a constant voltage and current without the use of acids. The Supreme Court held that this combination was nonobvious because, to conceive this combination required a person reasonably skilled in the art to disregard long-accepted principles in the science of electrochemistry. Parker did not have to ignore any long-standing principles in the art of handling sheet materials, or the art of making veneer which, to a person reasonably skilled in those arts, would have dictated a different result than he achieved.

The judgment is reversed and the cause is remanded with direction to dismiss the action.

APPENDIX C

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JEDDELOH BROTHERS SWEED MILLS, INC., a corporation, OTTO JEDDELOH, FRED JEDDELOH, *Appellants and Cross-Appellees,* v. COE MANUFACTURING COMPANY, a corporation, *Appellee and Cross-Appellant.*	)))))))	No. 20,662 Superseding Opinion of November 23, 1966

[March 3, 1967]

Appeal from the United States District Court for the District of Oregon

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Before: HAMLEY and KOELSCH, Circuit Judges, and WALSH, District Judge

HAMLEY, Circuit Judge:

This suit involves the validity and infringement of claims 3, 5, 7 and 17 of Reissue No. 24,638 of Parker Patent No. 2,649,182, owned by plaintiff Coe Manufacturing Company (Coe). References hereinafter to the Parker patent pertain only to claims 3, 5, 7 and 17 of that patent. This is a combination patent describing an apparatus for feeding veneer into a multiple-deck conveyor-type veneer dryer.

The defendants are Jeddeloh Brothers Sweed Mills, Inc., manufacturer and seller of the accused apparatus, and Fred and Otto Jeddeloh, president and

vice-president respectively, and major stockholders, of Jeddeloh Brothers. The defendants are collectively referred to herein as Jeddeloh.

The district court found and concluded that claims 3, 5, 7, and 17 of the Parker patent are valid and that claim 17 is infringed by Jeddeloh. A judgment was entered to this effect, awarding single damages and granting injunctive relief. Defendants appeal and plaintiff cross appeals. This is the second time that this cause has reached this court. See *Coe Manufacturing Company* v. *Jeddeloh Brothers Sweed Mills, Inc. et al.*, 9 Cir., 306 F.2d 455.[1]

Jeddeloh contends, on its appeal, that: (1) the Parker patent is invalid for failure to meet the requirements of a patentable invention; (2) the Parker patent was invalidly reissued under the language of the reissue statute; (3) defendants did not infringe the Parker patent; (4) Coe is estopped to assert the patent claim which was held to be infringed; (5) the individual defendants are not personally liable for infringement damages; and (6) the amount of damages has been incorrectly determined.

Coe argues, on its cross appeal, that: (1) in addition to the claim held to be infringed, other claims of the Parker patent were also infringed; (2) interest on the damages awarded to Coe was improperly computed; and (3) exemplary damages and attorneys'

[1] In that decision we remanded the cause to the district court to make findings and conclusions regarding the question of the validity of the Parker patent and the question of infringement of various claims of that patent.

fees should have been awarded for Jeddeloh's wilful infringement of the Parker patent.

We hold that the Parker patent is invalid and therefore, without reaching the other issues raised on the appeal and cross appeal, reverse with directions to dismiss the action.

As the Supreme Court recently stated in *Graham, et al.* v. *John Deere Co. of Kansas City, et al.*, 383 U.S. 1, 12, patentability is dependent upon three explicit conditions: novelty and utility as defined in 35 U.S.C. §§ 101, 102 (1964), and nonobviousness, as defined in 35 U.S.C. § 103 (1964). The district court, in its findings, held that the Parker reissue patent met all three of these tests.[2]

Jeddeloh questions the trial court's determination that the subject matter of the Parker reissue patent is novel and nonobvious, and advances additional reasons why the patent should be declared invalid.

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subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

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"We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act [in which the nonobviousness test of section 103 was enacted].

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pointed out that Art. I, § 8, cl. 8 of the Constitution, from which the federal patent power is derived, is both a grant of power and a limitation. The limitation is that the patent power shall be used only to promote advances in the "useful arts."

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scribing an apparatus for feeding green veneer into a multiple-deck veneer dryer, is invalid for nonobviousness. For the purpose of discussing that question we will assume, as the trial court held, that the Parker reissue patent is for a combination of old elements, that the combination shown is new as compared to other combinations disclosed by the prior art,[6] and that the Parker patent is primarily an apparatus for handling sheets of veneer.[7]

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[7] Jeddeloh does not agree that the Parker combination is new, or that it primarily claims an apparatus for handling veneer.

hand, one at a time, and lifted and pushed into the individual decks of the dryer. During the feeding of a dryer by hand, the sheets of veneer were sometimes broken or damaged and frequently the dryers were not kept completely full.

Green or undried veneer sheets are dissimilar to manufactured sheet products such as plasterboard, paper and sheetmetal, in that green veneer varies in quality, length, width, thickness, flexibility and flatness. Green veneer also has a tendency to curl. Because of these characteristics, green veneer is difficult to handle, particularly with a mechanical apparatus. Nevertheless, as early as 1936, Coe undertook to develop such an apparatus. Coe has been the leading manufacturer of equipment for plywood mills for many years, and has also manufactured dryers, conveyors, and other sheet-handling equipment for the plasterboard and fibreboard industry.

From 1939 to 1941, Coe designed and constructed three different apparatuses for feeding veneer into a dryer. None of them performed satisfactorily, and all were scrapped after trial periods. In 1948, C. E. Parker, then a design engineer for Coe, but who died prior to the trial, developed the asserted invention described in the patent in suit. The Parker patent shows a preferred and an alternative embodiment.

The preferred embodiment of the patent is described in claims 3, 5 and 7,[8] and contains nine prin-

[8] While there are variations between claims 3, 5 and 7, for our purposes the latter claim may be taken as representative of those claims. Claim 7 reads:

cipal features: (1) a normally open pair of driven infeed pinch rolls between which the leading ends of the top layer of veneer to be fed into the dryer are pushed by the operator from a row of stacks positioned in front of the rolls; (2) the upper roll is movable up and down, so that a row or layer of veneer may be pushed between the rolls when the upper roll is raised; (3) a retractable stop is provided to align the leading ends of the veneer; (4) in timed relation to the operation of the dryer, periodically, the stop is raised and the upper roll is lowered so as to cause the veneer to be grasped between the two infeed pinch rolls, and thereby drawn from the stacks and propelled toward the dryer; (5) the infeed pinch rolls are movable vertically as a unit by suitable controls, so that, as veneer is removed from the stacks and the height of the stacks thereby lowered, the rolls may be lowered by the operator to maintain the nip of the

"7. In equipment for feeding material in sheet form into a multiple deck conveyor type machine, the combination of a feed end unit comprising a frame and a vertically movable assembly including a pair of pinch rolls, means for raising and lowering said assembly, means for driving said pinch rolls, means for producing relative movement of said pinch rolls toward and from each other, a conveyor type table connected at one end to said vertically movable assembly for movement therewith, a discharge end unit comprising a frame and a vertically movable assembly having the opposite end of said conveyor type table connected thereto for movement therewith, and means for moving said vertically movable assembly of said discharge end unit in timed relation to the relative movement of said pinch rolls toward and from each other, said last-named means comprising a control mechanism adapted to be operatively connected to the conveyor mechanism of said machine whereby said pinch rolls and said vertically movable assembly of said discharge end unit are moved in timed relation to the speed of the conveyor."

rolls substantially in alignment with the top of the stacks; (6) the infeed rolls propel the veneer toward a set of driven outfeed rolls; (7) the outfeed rolls are automatically moved vertically as a unit stepwise past the tiered decks of the dryer so as to feed the veneer into the various decks of the dryer; (8) to support the veneer between the infeed and outfeed rolls, there is a conveyor-type table having moving belts encircling it and the lower outfeed pinch roll; and (9) the opening and closing of the infeed rolls and the indexing of the outfeed rolls past the dryer decks are all in timed relation to the speed of the dryer.

In summary, with the infeed rolls open, the operator pushes the top sheets on the stacks forward a small distance into ready position with their leading ends between the rolls. At the proper moment, the rolls automatically come together and propel the ready layer of veneer across the conveyor-type table to the outfeed rolls. In turn, the outfeed rolls propel the veneer into a deck of the dryer. At the proper time the outfeed rolls automatically move to the next deck to be loaded and the infeed rolls open to accept a new load.

The trial court held that claims 3, 5 and 7 were not infringed because the accused apparatus does not have a conveyor-type table or its equivalent.

The alternative embodiment of the asserted invention is described in claim 17, which is the only claim that was held to be infringed.[9] This embodiment con-

[9] Claim 17 reads:

tains five principal features: (1) an elevator is provided in front of the dryer; (2) an assembly is mounted upon this elevator, including a supporting frame and a pair of pinch rolls similar to the infeed rolls of the preferred embodiment; (3) these pinch rolls are periodically opened and closed in timed relation to the speed of the dryer. The stacks of veneer to be fed are positioned on the elevator in front of the roll assembly, and the top sheets are pushed by the operator between the open rolls; (4) the rolls are designed to be raised or lowered as a unit by the operator within the supporting framework so that they can be positioned in substantial alignment with the top of the stacks of veneer being fed; and (5) the elevator is automatically raised and lowered stepwise past the decks of the dryer so as to bring the rolls sequentially into alignment with the various dryer decks.

While the two embodiments of the asserted invention are designed to accomplish the same task, the alternative embodiment has only one set of pinch rolls and accordingly no conveyor-type table between sets of pinch rolls, as in the preferred embodiment.

In 1948, Coe constructed a veneer dryer feeder

"17. In equipment for loading material in sheet form into a multiple deck power driven conveyor type machine, the combination of vertically movable feed means having an entering end and a discharge end, said feed means including a pair of pinch rolls, means for driving said pinch rolls, power actuated means for vertically moving said entering end of said feed means, power actuated means for producing relative movement of said pinch rolls toward and from each other, and automatically controlled power actuated means for moving said discharge end of said feed means vertically in timed relation to the relative movement of said pinch rolls relative to each other."

apparatus in accordance with the preferred embodiment of the patent in suit, and shipped it to Portland, Oregon, for trial. From 1948 to 1952, Coe attempted to secure permission from a number of plywood plants to install that feeding apparatus. Because of a general belief in the plywood industry that a mechanical veneer feeder could not successfully operate, Coe was unable to persuade any plant to try the feeder.

In 1952, Coe secured permission to install its feeder on a trial basis in a new plywood plant which had an extra veneer dryer not required for its normal plant operation. The feeder performed satisfactorily, was purchased by the plant, and was still in operation at the time of the trial. Between 1952 and the commencement of the first trial on December 29, 1959, about 105 veneer feeders built under the Parker patent had been installed in plywood mills. A few of these were constructed under license from Coe, the balance were constructed by Coe.

The trial court found that Parker's asserted invention enables veneer to be fed into dryers with fewer men, with less damage to veneer, and with more uniform loading of the dryer, resulting in increased efficiency of the dryer. Mechanical feeders have virtually eliminated hand feeding of veneer dryers, and Coe's apparatus is a commercial success.

As indicated in the above-quoted excerpt from the *Graham* opinion, the differences between the prior art and the claims at issue, evidencing the novelty of the subject matter of the patent, must be appraised

in order to resolve the question of obviousness. As stated above, for the purpose of reaching the question of obviousness, we have assumed that the Parker combination of old elements is novel as compared to combinations disclosed by the prior art.[10] But in dealing with the question of obviousness, it is important to note what is novel, and what is not novel, about the Parker combination.

None of the individual components of the Parker combination perform any different functions in the combination than they do out of it. The pinch rolls of the Parker patent do, in the combination, exactly what pinch rolls do out of the combination—they pull through sheet materials which are introduced between them. The means provided for driving those pinch rolls have the same effect on those rolls as they would have out of the combination. The power-actuated means for vertically moving the entering end of the feed means operate no differently in the combination than out of it. The same can be said of each of the other old elements which, in combination, comprise the Parker patent.

Nor do these old components in the total combination of Parker, or in any of the groupings of old components which go to make up that total combination, co-act to produce a new result as compared to the total combinations, and grouping of components, in the prior art. The Streeter, Campbell and Cross patents, as well as the Parker patent, describe a method of transferring sheet material from one place to

[10] See text opposite note 6, above.

another by automatic means. Streeter, as well as Parker, provides a way to vary vertical positioning of the outfeed end to accommodate variations in height at the destination. Cross and Campbell, as well as Parker, provide a way to vary vertical positioning of the infeed end to accommodate variations in height at the source. Streeter, as well as claims 3, 5 and 7 of Parker, provides a conveyor-type table between the infeed and outfeed ends of the apparatus. The use of pinch rolls is shown in Cross and Campbell as well as Parker. Given these similarities, it is not, in legal contemplation, a "new" result for Parker to handle moist veneer, as compared to moist fibreboard handled by Streeter, tin plate handled by Campbell, and paper handled by Cross.

The only sense in which the Parker combination is novel is that, in order to handle moist veneer mechanically, it was necessary to have a different range and positioning of old components than is to be found in such prior combinations as the Streeter, Campbell and Cross patents.[11] In our opinion, these elements of novelty, and the means of achieving them, would have been obvious to a person of ordinary skill in the art of handling sheet materials by mechanical means.

Such a person, we think, would have been able to devise variations of this kind in accommodating old components to the handling of moist veneer. Experimentation was undoubtedly necessary to achieve an

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[11] Incidental to these differences there had to be, as compared to the prior combinations, variations in the dimensions and settings of the old components, and differences in framework, gears, wiring and the like.

efficient veneer-handling apparatus. It was not necessary, however, to seek and apply any substantially new principle, as in the case of the combination described in the patent under review in *United States* v. *Adams, et al.*, 383 U.S. 39, to be discussed below. Nor, in our view, is there here present any other circumstance or consideration which dictates a conclusion that the subject matter of the claim in question was nonobvious at the time the purported invention was made.

Coe contends that *Adams, supra,* in which the combination patent there in issue was upheld, supports the view that the Parker combination is nonobvious. We do not agree. *Adams* involved a combination patent for a wet battery which provided a constant voltage and current without the use of acids. The Supreme Court held that this combination was nonobvious because, to conceive this combination required a person reasonably skilled in the art to disregard long-accepted principles in the science of electrochemistry. Parker did not have to ignore any long-standing principles in the art of handling sheet materials, or the art of making veneer which, to a person reasonably skilled in those arts, would have indicated a different result than he achieved.

We have not overlooked certain secondary considerations which provide indicia of nonobviousness where that issue is in doubt. The trial court found that the Parker apparatus fills a long-felt need in the plywood industry and is a commercial success. But commercial success without invention does not

make patentability. *A. & P.* at 153.[12] Likewise where the advance embodied in the patent is obvious, the fact that it solved a pre-patent problem is immaterial. See *Alladin Plastics, Inc.* v. *Jerrold Stephan Co.*, 9 Cir., 362 F.2d 532, 534. The same can be said of evidence showing that the asserted invention was copied by others. *Walker* v. *General Motors Corporation*, 9 Cir., 362 F.2d 56, 60 and cases cited therein.

In reaching the conclusions expressed above we have endeavored to apply, with the required strictness, the principles announced by the Supreme Court in the *Graham* decision referred to above. Taking into account the scope and content of the prior art of mechanically moving sheet materials, the differences between that prior art and the apparatus described in the Parker claims in issue, and the level of ordinary skill in that art, all as revealed or implicit in the undisputed facts summarized above, we hold that the subject matter of claims 3, 5, 7 and 17 of the Parker patent is plainly obvious within the meaning of section 103, and that those claims are therefore invalid.

The judgment is reversed and the cause is remanded for further proceedings consistent with this opinion.

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[12] This is not the only case in which this court, under the particular circumstances, has given only limited weight to the factor of commercial success. We stated in *Farr Company* v. *American Air Filter Company, Inc.*, 9 Cir., 318 F.2d 500, 504, that such factors as commercial success " 'are at the most weak reeds for a patentee to lean upon.' *McCord Corp.* v. *Beacon Auto Radiator Co.*, 193 F.2d 985, 989 (1st Cir., 1952). They may tip the scales in favor of invention where the question is close and the court in doubt, but where invention is clearly lacking they do not make for patentability."

APPENDIX D

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

JEDDELOH BROTHERS SWEED MILLS, INC., a corporation, OTTO JEDDELOH, FRED JEDDELOH, *Appellants and Cross Appellees,*	No. 20662
v.	ORDER
COE MANUFACTURING COMPANY a corporation, *Appellee and Cross-Appellant.*	

ON PETITION FOR REHEARING

Before: HAMLEY and KOELSCH, Circuit Judges, and WALSH, District Judge

The opinion filed herein on November 23, 1966, is withdrawn and an amended opinion, reaching the same result, is filed in lieu thereof.

The petition for rehearing, and the suggestion for rehearing en banc, are denied. The mandate shall issue forthwith.

FREDERICK G. HAMLEY
M. OLIVER KOELSCH
United States Circuit Judges

United States District Judge

Filed March 3, 1967.

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

THE COE MANUFACTURING COMPANY, a corporation, *Plaintiff*,	Civil No. 9702
v.	OPINION
JEDDELOH BROTHERS SWEED MILLS, INC., a corporation, OTTO JEDDELOH, FRED JEDDELOH, *Defendants*.	May 21, 1965

SOLOMON, Judge:

At an earlier stage of this case, I found that defendants' accused apparatus did not infringe Claims 3, 5, 7, or 17 of the patent in suit (sometimes called the Parker Reissue patent), which claims were carried over from the original patent without change and which were the only claims upon which plaintiff relied.

In arriving at this conclusion I assumed validity because I thought it unnecessary to determine validity since I found non-infringement. I therefore dismissed plaintiff's suit for infringement and defendants' counterclaim to declare the patent invalid.

Plaintiff appealed from the judgment on the ground that I erred in finding non-infringement and defendants cross-appealed from that portion of the judgment which dismissed defendants' counterclaim.

Both parties agreed that in this case the ques-

tion of validity was one of law since all of the prior art patents upon which defendants relied were before the Court. Both parties requested the appellate court to determine the validity of the patent in the claims involved in the appeal.

The Court of Appeals denied this request, and stated that it could not properly determine validity because I made no findings on the prior art and what Parker did to improve it. The Court also held that I should have determined validity because "the question of infringement of the claims in issue is a close one, at least with regard to Claim 17."

The judgment was vacated and the case was remanded to me with instructions to determine the validity of the Parker patent, and whether the accused apparatus infringed Claims 3, 5, 7, and 17. I was also directed to make findings of fact, conclusions of law and enter an appropriate judgment.

Since the case was remanded, I have had the advantage of additional briefs and oral arguments on the issues of validity and infringement. In spite of this help, I have experienced much difficulty in arriving at conclusions with which I was satisfied. I realize that if the Court of Appeals had agreed with my finding of non-infringement, the case would not have been remanded. I therefore read and reread the transcript of testimony, the exhibits, the briefs on appeal, and the briefs filed thereafter in the light of the Court's action.

On the issue of validity, in addition to contending

that the Parker patent was anticipated by the prior art and does not disclose any patentable invention over the prior art, the defendants claim that the Parker patent was an improper reissue and therefore invalid.

At the trial and again on oral argument after remand, I found that since the claims in suit were carried over unchanged from the original Parker patent to the reissued patent, they may not be challenged by reason of alleged broadening or enlargement of other claims in the reissued patent. I have reread 35 U.S.C. 252, and I again find that the provision ". . . but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing . . ." requires that I reaffirm that conclusion.

Defendants assert that Figure 9 of the Parker patent should not be considered in construing the claims because the revisions to the application upon which the original Parker patent was granted involved new matter. Defendants also claim that the new matter was included in the drawings and specifications of the patent as issued through the oversight of the Patent Office.

It is admitted that the apparatus shown originally in Figure 9 was inoperable because of the position of the electrical controls. This was obvious to any skilled electrician familiar with the art. Its correction prior to the issuance of the patent did not con-

stitute new matter, and the Patent Office properly permitted the change.

Defendants next assert that the patent in suit and particularly Claims 3, 5, 7, and 17 are invalid as lacking invention. In the pre-trial order, defendants cited 22 prior patents which they asserted showed that Parker's alleged invention and every material and substantial part had been invented, described and patented more than seven years prior to the Parker patent. At the hearing after remand, defendants stressed three prior patents: Streeter 1,809,456, Cross 640,368, and Campbell 1,216,773.

Streeter was one of the patents considered by the Patent Examiner in the Parker application for a reissue patent. Although both the others are patents on feeders, Cross related to paper and Campbell to tin plate. In fact, none of the patents cited by defendants throughout these proceedings, with the exception of plaintiff's own Moore patent, relates to a veneer feeder, and an apparatus constructed substantially in accordance with the teachings of Moore was unworkable.

Plaintiff has been the dominant manufacturer of equipment for plywood mills. Plywood is made by gluing together sheets of veneer from which the moisture is removed. For many years the dryers with a number of decks upon which the veneer was placed were fed by hand. Hand-feeding was a slow and expensive process, and often resulted in damage to the sheets of veneer, which when wet have a tendency to curl.

For more than 10 years prior to the Parker invention, C. E. Parker, plaintiff's design engineer, as well as other engineers in the employ of plaintiff attempted to develop a mechanical feeding apparatus for veneer dryers. All of their efforts were unsuccessful. Parker's invention was an immediate success once it was tried because it fulfilled a long unsatisfied need, namely, to feed veneer to dryers faster with fewer men and less damage. While all of the elements of Parker are old, in combination they achieved a significant new result which was something more than a mere advance in the efficiency or utility of a machine. Although it may appear simple now, prior to the Parker invention it was neither simple nor obvious to those skilled in the art.

In the findings of fact which will be filed simultaneously with this opinion, I have set out in detail the manner in which the Parker feeding device is constructed and operated. No useful purpose will be served to repeat it here.

The Parker invention was twice before the Patent Office, first on the original application and again on the application for reissue. Both times the Patent Office found patentable invention. In my view this strengthens the presumption of validity which attaches to the issuance of a patent.

I find that Claims 3, 5, 7, and 17 particularly point out and distinctly claim the subject matter of Parker's invention. I further find that all of these claims are valid.

Plaintiff asserts that the plate or table between the infeed and outfeed pinch rolls in the accused machine is the full equivalent of the Parker conveyor type table which carries sheets of veneer from the stacks to the dryer and which is operated by moving belts. I have again concluded that there is no basis for this contention. The plate in the accused machine is not a conveyor-type table or the equivalent thereof because it is the pinch rolls which provide the power to move sheets of veneer over and across the plate. The plate does not do any conveying.

In my original opinion and findings I concluded that the accused apparatus did not have a vertically movable assembly at the infeed end. Upon reexamination I have concluded that I erred. I now find that the accused apparatus does have a vertically movable assembly or its full equivalent at the infeed end and that the accused apparatus does infringe Claim 17 of the patent in suit.

The elevatable platform is an essential and integral part of the accused apparatus. The arrangement used in the accused apparatus was contemplated by Parker, and in any event the accused apparatus employed an arrangement which was merely a reversal of parts. The essential feature of both the Parker apparatus and the accused apparatus is the maintenance of a roll stack alignment at the infeed end. The elevatable infeed pinch rolls of Parker and the elevatable platform of the accused apparatus performed the same functions in substantially the same

way to attain the same result, that is, roll stack alignment.

I am also of the opinion that the defense of file wrapper estoppel limited to Claim 17 must be denied. Claim 17 was allowed in the form in which it was presented without rejection or amendment, and I find that Parker did not disclaim a structure which he later covered.

Plaintiff is entitled to an order enjoining the defendants from further acts of infringement. It is also entitled to an accounting for profits and damages. I appreciate the fact that prior to the construction of the accused device defendant Otto Jeddeloh did examine an apparatus constructed by Moore Dry Kiln Company, one of plaintiff's licensees, but I am of the opinion that this infringement was not wilful or wanton and that plaintiff is not entitled to treble damages. For the same reason I deny plaintiff's claim for attorney fees.

I have designated Clifford B. Alterman as a Special Master to determine the profits realized by the defendants and the damages suffered by plaintiff by reason of defendants' infringement of the patent in suit.

Defendants' counterclaim for a declaratory judgment of invalidity and non-infringement will be dismissed.

APPENDIX F

Decisions Bearing on Obviousness as a Question of Fact or of Law

FIRST CIRCUIT: *Wilson Research Corp.* v. *Piolite Plastics Corp.*, 327 F.2d 139 (1963)

". . . validity was a clear decision of fact which we would not disturb." (Page 140, note 4)

SECOND CIRCUIT: *American Technical Machine Corp.* v. *Caparotta*, 339 F.2d 557 (1964)

"These findings of fact are not clearly erroneous, and we must accept them. We also accept the finding that 'The means disclosed is not found in the teaching of any of the patents nor were the means obvious to one skilled in the art of brush-machine making.'" (Page 559)

FOURTH CIRCUIT: *Nicholson* v. *Carl W. Mullis Engineering & Manufacturing Co.* 315 F.2d 532 (1963)

"His (the Trial Judge's) conclusion was not evolved from conflicting testimony but rather upon a comparative reading of the patents. Inasmuch as these documents are equally as available to us, the resolution of the question of patent validity by the Trial Court is not as binding here as would be a factual ascertainment upon varying evidence under Rule 52(a) . . ." (Page 536)

FIFTH CIRCUIT: *Clark Noe* v. *W. D. Smith et al*, 300 F.2d 430 (1962)

"In addition the court found that the device described in the patent was merely the adaptation of the teachings of the prior art and public use, with the addition of no more than the ordinary mechanical skill reasonably to be expected in the field, all of which would be obvious to persons of ordinary skill in the art pertaining to the subject matter of the patent. (See 35 U.S.C. Sect. 103.)

"Findings of fact by the trial court in patent cases are conclusive upon appeal, unless they are found to be clearly erroneous." (Page 431)

SIXTH CIRCUIT: *Maytag Company* v. *Murray Corporation of America*, 318 F.2d 79 (1963)

"The test of invention where old elements are used in the alleged invention is whether those elements are used in a manner different from the previously known use in such a way that the alleged invention would not have been obvious to one skilled in the art. (Citing cases) Invention under this test is a question of fact." (Page 81)

SEVENTH CIRCUIT: *Novo Industrial Corp.* v. *Standard Screw Co.*, 152 U.S.P.Q. 543 (1967)

"It is pertinent to observe that the trial court heard the testimony of expert witnesses with respect to the elements, operational functions and characteristics of the patent in suit, and the scope and content of prior art disclosures, considered from the standpoint of whether the construction of the patent would have been obvious to one skilled in the art at the time of the making of the claimed invention. Rule 52(a) of

the Federal Rules of Civil Procedure (28 U.S. C.A.) therefore applies to our review of the court's factual findings relating to such matters." (Page 546)

EIGHTH CIRCUIT: *Rota-Carb Corporation* v. *Frye Manufacturing Company*, 313 F.2d 443 (1963).

"The question whether an improvement involves mere mechanical skill or involves the exercise of the faculty of invention is, if at all doubtful, a question of fact, and a finding either way upon that question by a trial court is conclusive on appeal unless clearly erroneous." (Page 444)

EIGHTH CIRCUIT: *Piel Manufacturing Company, Incorporated* v. *George A. Rolfes Co.*, 363 F.2d 57 (1966).

"This Court has traditionally given considerable weight to a District Court's determination that a particular modification of prior art is one which might have been developed by a mechanic in the art, even though the ultimate issue of 'obviousness' must be considered a matter of law." (Page 61)

TENTH CIRCUIT: *M. B. Skinner Company* v. *Continental Industries, Inc.*, 346 F.2d 170 (1965).

"The statutory test to determine validity is whether 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was

made to a person having ordinary skill in the art . . . .' 35 USC Section 103. The statute presents an ultimate question of fact, and the trial court's finding of obviousness is safeguarded by the clearly erroneous rule so long as this ultimate factual conclusion was arrived at by consideration of proper legal criteria." (Page 173)

DICTRICT OF COLUMBIA: *Hays* v. *Brenner*, 357 F.2d 287 (1966)

"Here the action of the Patent Office denying the Hays application as obvious under Section 103 is reinforced by the finding of the District Court to the same effect. We affirm that finding. Rule 52(a), F. R. Civ. P." (Page 289)

DISTRICT OF COLUMBIA: *Stieg* v. *Commissioner of Patents*, 353 F.2d 899 (1965)

"Accordingly, we may observe at once that this appeal, as the parties recognize, presents the much mooted question as to whether a finding of obviousness under 35 U.S.C. Section 103 is a finding of fact or a conclusion of law. See Rule 52(a) Fed. R. Civ. P. We conclude that such a finding is not strictly one of fact or of law. It is an inference derived from the application of a stated rule of law to the facts. Thus it may properly be called a mixed finding of law and fact." (Page 900)

APPENDIX G

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

COE MANUFACTURING COMPANY, a Corporation,
Appellant,

vs.

JEDDELOH BROTHERS SWEED MILLS, INC., et al.,
Appellees,

and

JEDDELOH BROTHERS SWEED MILLS, INC., et al.,
Cross-Appellants,

vs.

COE MANUFACTURING COMPANY, a Corporation,
Cross-Appellee.

No. 17,005

June 29, 1962

On Appeals from the United States District Court for the District of Oregon

Before: HAMLEY and KOELSCH, Circuit Judges, and WALSH, District Judge.

WALSH, District Judge.

Involved herein are appeals in a patent case concerning Parker Patent No. 2,649,182 and Reissue thereof No. 24,638, which relate to an apparatus for the feeding of veneer to a multiple-deck conveyor-type veneer dryer. The district court had jurisdiction under 35 U.S.C., § 281 and 28 U.S.C., § 1338(a); and

jurisdiction in this court is found in 28 U.S.C., §§ 1291 and 1294(1).

The case began below when appellant filed a complaint charging appellees with infringement of the original Parker patent. Appellees answered denying infringement and alleged affirmatively invalidity of the Parker patent, including allegations of anticipation and lack of invention over certain prior art patents. Thereafter, appellant filed in the United States Patent Office application for reissue of the Parker patent and, on April 21, 1959, Parker Patent Re. 24,638 was reissued by the Patent Office. Promptly following this action by the Patent Office, appellant filed a supplemental complaint substituting the reissue for the original patent. Appellees answered the supplemental complaint, again denying infringement and, in addition, alleging affirmatively (a) anticipation, (b) that what Parker had done did not amount to invention in view of the state of the art to which his apparatus pertained, and (c) that the reissue patent was not authorized by law, but if it were, its enforcement against appellees would be inequitable in view of the fact that appellees had acquired intervening rights by continued manufacture of their accused machine. In addition to their answer to the supplemental complaint, appellees filed a counterclaim praying for a declaratory judgment adjudging the Parker patent to be invalid upon the grounds of (a) anticipation, (b) that Parker's work did not amount to invention in view of the state of the art, and (c) that the reissue patent was not authorized by law. Appel-

lant filed a reply denying the claims of invalidity asserted in the counterclaim.

As filed, the supplemental complaint charged appellees with infringement of all twenty-five claims of the Parker patent; but on pretrial hearing the charge of infringement was limited to nine claims of that patent, and at trial appellant limited its charge of infringement to "Claims 3, 5, 7 and 17 of the Reissue Letters Patent No. 24,638." The court below, sitting without a jury, found that none of Claims 3, 5, 7 and 17 were infringed and stated that, because non-infringement was clear to him, he assumed the validity of the Parker patent. Findings of fact and conclusions of law appropriate to the issues of infringement were entered but no findings or conclusions appropriate to the issue of validity were made. Judgment was entered dismissing both the supplemental complaint and appellees' counterclaim. Appellant appealed from the entire judgment below and appellees cross-appealed from the portion of the judgment which dismissed their counterclaim.

Our study of the record causes us to conclude that the question of infringement of the claims in issue is a close one, at least with regard to Claim 17. At all events, non-infringement is not readily apparent or perfectly clear; hence, the question of the validity of the claims should have been determined by the trial court. *Helbush* v. *Finkle*, 170 F.2d 41 (9 Cir., 1948); *Specialty Equipment Machinery Corp.* v. *Zell Motor Car Co.*, 193 F.2d 515, 520 (4 Cir., 1952). We cannot

properly determine validity of the claims on this appeal since no findings were made below with regard to the fact questions of what the prior art was and what Parker did to improve upon it.

Further, it was not proper for the trial court to dispose of the issues made by the counterclaim and the reply thereto merely by assuming the validity of the Parker patent and dismissing the counterclaim. Although appellant had limited its charge of infringement in this action to Claims 3, 5, 7, and 17 of the Parker patent, the counterclaim sought a declaratory judgment that "United States Reissue Patent No. 24,638" was invalid. The relief sought and all its claims were invalid, and a finding of non-infringement as to some of the claims of the patent did not warrant the action of the trial court in making no findings or conclusions as to the validity but assuming validity and dismissing the counterclaim. *Altvater* v. *Freeman*, 319 U.S. 359, 363, 87 L. Ed. 1450, 1453, 63 Sup. Ct. 1115 (1943).

The judgment is vacated and the case is remanded to the district court with directions to determine the question of the validity of the Parker patent, determine the question of infringement of Claims 3, 5, 7, and 17 of such patent, make findings of fact and conclusions of law as required by Rule 52(a), Federal Rules of Civil Procedure, and enter an appropriate judgment.

(Endorsed) Opinion Filed June 29, 1962.

Frank H. Schmid, Clerk.

APPENDIX H

OPINION OF U. S. DISTRICT COURT FOR THE DISTRICT OF OREGON

Solomon, Judge:

I find that the accused machine does not infringe plaintiff's patent because it contains neither a "conveyor type table" nor a "vertically movable assembly" at the infeed end.

One or both of them are elements in Claims 3, 5, 7 and 17, the only claims which plaintiff asserts are infringed by the accused machine. Since each element in the combination is essential, a machine without such element does not infringe unless it is supplied by an equivalent device.

In my view, plaintiff's combination patent is entitled to only a narrow range of equivalents, but even if it were entitled to a broad range, neither of these two elements would be supplied by any other portion of the accused machine.

Since it is clear to me that defendants are entitled to prevail on the issue of infringement, I have assumed validity of plaintiff's patent without having made determination of that fact.

Defendants' request for attorney's fees is denied.

The defendants shall prepare appropriate findings of fact, conclusions of law, and a judgment, all in accordance with this opinion.

[Endorsed]: Filed March 30, 1960.

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In The

Supreme Court of the United States

OCTOBER TERM, 1966

No. _____

COE MANUFACTURING COMPANY,
Petitioner,

v.

JEDDELOH BROTHERS SWEED MILLS, INC.,
OTTO JEDDELOH and FRED JEDDELOH,
Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Restatement of the Case

Petitioner filed suit on March 20, 1958 for infringement of Parker patent 2,649,182. On May 14, 1958, respondents answered denying infringement and alleging invalidity of the patent for various reasons, including lack of invention over certain prior art patents. On October 23, 1958, unknown to respondents, petitioner filed in the United States Patent Office application for reissue of the Parker patent, stating *inter alia* that certain claims of the Parker patent were invalid in view of Streeter patent 1,809,456 (Vol. IV, p. 446), which patent had been cited by respondents in their answer.

On April 21, 1959, the Parker patent was reissued as Re. 24,638, and on May 1, 1959, petitioner filed a supplemental complaint substituting the reissued patent for the original patent. Petitioner amended the specification and certain claims of the reissue patent so that as a matter of language they read squarely on respondents' machine. Ultimately, none of the amended or new claims were asserted against respondents and the district court permitted petitioner in effect to disavow the reissue patent. The district court confined its attention strictly to the specification as it was in the original Parker patent, and interpreted claims 3, 5, 7, and 17 which were the same in both patents, in the light of the original specification (Vol. III, pp. 228, 275, 276).

In the district court's first opinion (Pet. App. 69) it found no infringement of the claims and did not pass on validity because it believed that noninfringement was very clear. The court of appeals remanded for additional findings, particularly on validity, because it thought infringement of one of the claims (17) was a close question (Pet. App. 65). Reargument of the questions of validity and infringement was held before the district court and after having had the case under advisement for two and one-half years, the district judge "experienced much difficulty in arriving at conclusions with which I was satisfied". (Pet. App. 55). Nevertheless, he held the patent valid and claim 17 infringed. The court of appeals reversed holding the claims invalid on the grounds of obviousness without passing on the sev-

eral other grounds of invalidity and noninfringement urged by respondents.

The patent in suit is not, as repeatedly stated by petitioner, limited to a machine for feeding sheets of veneer. While the embodiments are described with respect to feeding veneer, the specification expressly states that the invention is intended to cover the feeding of any sheet material similar to veneer, and that the invention is not limited to the embodiments shown, but covers all modifications within the knowledge of those skilled in the art (Vol. IV, p. 343, col. 10, lines 10-22). Furthermore, and most importantly, none of the claims in issue, claims 3, 5, 7, and 17, are limited to veneer but all call broadly for "materials in sheet form". Other claims not in issue expressly call for "sheet veneer material".

No Substantial Question of Law is Presented Which will Govern the Disposition of Other Cases

This is an ordinary patent infringement suit between private litigants in which the court of appeals correctly determined on one of several possible grounds that the four claims in issue were invalid. The decision of the court of appeals scrupulously followed the most recent patent decision of this Court—*Graham et al* v. *John Deere Co. et al*, 1966, 383 U.S. 1, 15 L.ed. 2d 545—which completely disposes of the matters that petitioner seeks to relitigate before this Court. In effect, petitioner's argument is the same as was urged in this Court in

Graham, that Section 103 of the 1952 Patent Act established a different standard of patentability from that enunciated in the Court's prior decisions. The Court rejected that argument, stating that the "standard has remained invariable" over the years while technology has advanced rapidly, and that a patentee is charged with such knowledge (383 U.S. at 19).

The court of appeals not only correctly applied the standard of invention required by this Court, but resolved every doubtful question in favor of petitioner, as is clear from the following (Pet. App. 42-43):

> "With these guiding principles in mind, we turn to the question of whether the Parker reissue patent, describing an apparatus for feeding green veneer into a multiple-deck veneer dryer, is invalid for nonobviousness. For the purpose of discussing that question we will assume, as the trial court held, that the Parker reissue patent is for a combination of old elements, that the combination shown is new as compared to other combinations disclosed by the prior art, and that the Parker patent is primarily an apparatus for handling sheets of veneer."

(Pet. App. 48-49):

> "As indicated in the above-quoted excerpt from the *Graham* opinion, the differences between the prior art and the claims at issue, evidencing the novelty of the subject matter of the patent, must be appraised in order to resolve the question of obviousness. *As stated above, for the purpose of reaching the question of obviousness, we have assumed that the Parker combination of old elements is novel as compared to combinations disclosed by the prior art. But in dealing with the question of obviousness,*

it is important to note what is novel, and what is not novel, about the Parker combination." (emphasis added.)

The above-italicized sentence from the court's opinion introduced the portions of the court's opinion quoted on page 7 of the Petition but was omitted by petitioner. That quotation and the following portions of the court's opinion, which were also omitted by petitioner, contradict petitioner's argument that the court of appeals applied "special" or "additional" tests not sanctioned by this Court. The court of appeals said (Pet. App. 49-50):

> "The Streeter, Campbell and Cross patents, as well as the Parker patent, describe a method of transferring sheet material from one place to another by automatic means. Streeter, as well as Parker, provides a way to vary vertical positioning of the outfeed end to accommodate variations in height at the destination. Cross and Campbell, as well as Parker, provide a way to vary vertical positioning of the infeed end to accommodate variations in height at the source. Streeter, as well as claims 3, 5 and 7 of Parker, provides a conveyor-type table between the infeed and outfeed ends of the apparatus. The use of pinch rolls is shown in Cross and Campbell as well as Parker. ***
>
> "The only sense in which the Parker combination is novel is that, in order to handle moist veneer mechanically, it was necessary to have a different range and positioning of old components than is to be found in such prior combinations as the Streeter, Campbell and Cross patents. In our opinion, these elements of novelty, and the means of achieving them, would have been obvious to a person of ordi-

nary skill in the art of handling sheet materials by mechanical means.

> "Such a person, we think, would have been able to devise variations of this kind in accommodating old components to the handling of moist veneer."

The court clearly considered whether the Parker combination as a whole was or was not obvious in view of the prior art, differences between it and the invention, and the level of ordinary skill in the art.

The Parker Patent is Invalid Under any Test of Patentability Sanctioned by this Court over the Years

The court of appeals *in addition* examined the Parker patent to determine what was novel and not novel in the Parker combination in view of the test required by this Court in *Hotchkiss et al* v. *Greenwood et al*, 1850, 11 How. 248, 13 L.ed. 683 and *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, 1950, 340 U.S. 147, 95 L.ed. 162, which cases are completely ignored by petitioner. Those cases are repeatedly referred to in *Graham* as forming a basis for that decision.

The court of appeals correctly understood that the prior art patents to Cross, Campbell and Streeter (Vol. IV, pp 354, 396, 446) showed every element called for in claims 3, 5, 7, and 17, with such elements functioning in the same manner as Parker to produce the same result. This has not been and cannot be denied.

Petitioner's sole argument of patentability is that the Parker claims are for a machine for feeding *veneer*,

rather than some other sheet material such as wallboard, paper, and sheets of metal. In this connection, it should be noted that another prior art feeder patent, Moore (Vol. IV, p. 480), which patent is also owned by petitioner, expressly equates wallboard and veneer as similar sheet material (Vol. IV, p. 486, col. 1, lines 1-7). The court of appeals assumed that claims 3, 5, 7, and 17 contained the veneer limitation and then the court held that it would have been obvious to one skilled in the art to use the old combination of mechanical elements to feed veneer, rather than some other sheet material.

The present emphasis by petitioner on the Parker patent being limited to a veneer-feeding machine, rather than to a machine for feeding some other sheet material such as shown in the prior art patents, was never advanced in the Patent Office during prosecution of the original or reissue Parker patents (file wrapper histories, plaintiff's exhibits 3 and 4). Validity of a patent should not be upheld on the basis of an "afterthought" which, if correct, could and should have been advanced in the Patent Office: *Graham* v. *John Deere Co.*, 383 U.S. at 25; *Bishman Mfg. Co.* v. *Stewart-Warner Corp.*, 7 Cir., decided May 3, 1967, — F.2d —, 153 USPQ 496, 498.

Even if the claims in issue were limited to veneer, petitioner cannot rely on the use to which a machine is put to impart patentability. It is well established that there can be no patentable invention in a new use of an old machine or product, or processing of material in an old machine. *Brown* v. *Piper*, 1875, 91 U.S. 37, 23 L.ed.

200; *Powers-Kennedy Contracting Corp.* v. *Concrete Mixing and Conveying Co.*, 1930, 282 U.S. 175, 75 L.ed. 278.

The Court of Appeals Determined the Question of Obviousness Correctly

The court of appeals *accepted* the correctness of the factual findings made by the district court with respect to the scope and content of the prior art, differences between prior art and claims at issue, and the level of ordinary skill in the pertinent art. The court said (Pet. App. 52):

> "In reaching the conclusions expressed above we have endeavored to apply, with the required strictness, the principles announced by the Supreme Court in the *Graham* decision referred to above. Taking into account the scope and content of the prior art of mechanically moving sheet materials, the differences between that prior art and the apparatus described in the Parker claims in issue, and the level of ordinary skill in that art, all as revealed or implicit in the undisputed facts summarized above, we hold that the subject matter of claims 3, 5, 7 and 17 of the Parker patent is plainly obvious within the meaning of section 103, and that those claims are therefore invalid."

This Court held in *Graham*, following *A. & P.*, that whether or not these facts meet the constitutional standard of patentability is a question that must be independently determined by a court of appeals and that is precisely what the Ninth Circuit did.

If petitioner were correct in its position that a court of appeals is bound under Rule 52(a) of the Federal Rules of Civil Procedure by a district court's finding that an invention is nonobvious, then this Court could not have reversed the Fifth Circuit in *Graham* and the Eighth Circuit in *Cook* without mentioning that it was doing so under the "clearly erroneous" rule. Significantly, Rule 52(a) is nowhere mentioned by this Court in those two cases.

Regardless of what some other courts of appeals may have said on the subject prior to *Graham*, the Ninth Circuit in the present case carefully followed the methodology of this Court. The Ninth Circuit examined the factual background relative to the patent in question and then came to the conclusion that the claims simply do not meet the nonobviousness standard of patentable invention.

Conclusion

The Parker reissue patent is invalid for many reasons. The court of appeals, after twice having the case before it, finally disposed of it on the ground of obviousness and its decision is in complete accord with the decisions of this Court.

The petition for a writ of certiorari should be denied.

Respectfully submitted:

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Attorney for Respondents